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NOTES.

INDUSTRIAL BUCCANEERING.

IN view of recent disclosures, it is pertinent to ask whether there is in present dealings of organized labor with organized capital evidence of a decline in respect felt for common honesty. There is undoubtedly a deep-seated and widespread conviction—not well grounded in statistics, it may be, but none the less firmly established for that—that our industrial system works injustice to the producers of wealth. This feeling is one which easily degenerates into a dangerous sort of cynicism which condones dishonest practices in general, and accepts as a matter of course a low standard of business ethics. Industrial combinations of labor and capital today are rapidly acquiring new powers and are exercising more extensively control over individual conduct. So that the individual worker and the individual employer feels the pressure brought to bear upon him as never before. It is therefore of greater social consequence than ever before that these organizations shall maintain unimpaired their character for honesty.

The economist commonly assumes that there are at work in the community certain economic laws in accordance with which the product of industry tends to be justly apportioned among those who produce it. It is a significant fact that trade unionist and capitalist alike, today, where they do not deny the existence of such laws altogether, commonly ignore their action, regarding them as being of purely speculative interest and of no practical consequence. The success of organized labor in forcing up wages in certain industries is often cited in justification of the belief that wages in general depend in last analysis not upon economic efficiency or productivity of labor, as economists are wont to suppose, but upon skilful manipulation of the labor supply. The lie, it is thought, is thus given to economic science.

In all this there is, of course, considerable misapprehension, since the economist has never been disposed to deny that in certain industries wages may depend upon manipulation of supply rather than upon economic efficiency, but only concerned to point out that the

whole product of industry out of which wages are paid cannot be increased by "manipulation;" that manipulation is just as reprehensible here as it is when resorted to for the purpose of gaining any species of illegitimate profits; that the wages manipulated into the pockets of one industrial group are just as certainly manipulated out of the pockets of another. Where wages are "manipulated" unorganized labor and the public foot the bill. A fair rate of wages is no more likely to result from "manipulation" than is a "fair" rate of profits.

The question what constitutes a fair rate of wages and of profits presents practically no theoretical difficulties. The theory of distribution which is based upon the institution of private property is a simple one and one which is very generally accepted by economists, wage-earners and wage-payers alike. There is, it is true, a theoretical issue raised by those who would radically modify the institution of private property itself. Both unionism and capitalism, however, stand for a division of the product of industry into wages and profits, and for the payment of fair wages under capitalism, not for a new industrial régime where property rights shall be based upon radically different principles.

While accepting the industrial régime as a whole, the trade-unionist is, nevertheless actively demanding as fairly his due a larger share in the product, and this larger share he proposes to get, not by the cultivation or exercise of greater economic efficiency, but in any way he can — by the process of collective "higgling," or bargaining, or fighting for it, or by legislating it into his pockets — on the general assumption that he is probably entitled to more than he can get in any way by fair means or foul. The employer is in much the same state of mind. In opposing unionism he is determined to resist what he regards as unreasonable demands, and he is naturally disposed to consider most demands unreasonable which interfere with his profits or dividends. In a word, the conception of "fairness" is a perfectly elastic and indeterminate one as regards wages and profits.

But the significant fact is that neither party professes to act in accordance with any preconceived theory, or law, or abstract principle whatever. The program of industrial combination is rather a denial that wages and profits are in fact regulated by any such law. The distribution of the product of industry is conceived to be effected by higgling and in the last resort by an exercise of violence. For the trade-unionist there is no economic law of wages. The whole

product of industry is before him, and whether he gets a lion's share or not will, he believes, rightly or wrongly depend largely not upon his economic efficiency, but upon judicious and timely display of lion-like qualities. For the employer there is likewise on law of profits; or, rather, the law of wages and profits is the law of the jungle — to take what one can appropriate with impunity.

This appeal to force requires some explanation, and the conclusion appears almost incontrovertible that the disregard of economic principles of justice arises from changed conditions in certain great industries, which have brought it about that a larger portion of the gains in these industries are economically indeterminate; that is to say, they are a sort of profits to which neither labor nor capital employed in these industries can assert a just claim. The perfection of organization has in those industries given a new aspect to the distribution problem. In its new form the distribution question is not "How shall we apportion among ourselves the product of our own labor and capital?" but "How much of the product of labor and capital in other industries can we, who are well organized, abstract from the community's total output, and apportion to ourselves as pseudo-wages and pseudo-profits?" When a pool of building contractors, for example, and of labor unions in the building trades is formed, and at Christmas or any other time a 20 per cent. "rake-off" on the year's contracts is disbursed under a compact to which both labor and capital are parties, that is not an apportionment of legitimate product, but rather of spoils gained by a species of industrial privateering. To contend that the question here is one of determining what is a fair rate of wages and of profits is pure hypocrisy. It is simply a question of determining the utmost extent to which the public can be systematically exploited.

Any organization, either of labor or of capital, which enters into such a conspiracy, is clearly dishonest, and individuals who are parties to such agreements have sacrificed all claims to any other consideration than such as is accorded criminals generally. In view of recent developments, it is quite unnecessary to detail evidence that such combinations and pools of "rake-offs" exist very generally. A significant fact is that no unambiguous protest issues against them from organized labor. On the contrary, organized labor today, far from demanding that evils and wrongs be corrected, is demanding that it shall be taken into co-partnership that it may enjoy the gains accruing from such alliances. The mouth of labor is thus effectually

stopped. Clearly in the apportionment between labor and capital of monopoly gains no economic law applies. Industrial privateering is not legitimate business, and those who are engaged in it are perfectly justified in believing that economic laws are here in abeyance. The rightful claimants to the product of industry have been dispossessed, and the apportionment must be made in accordance with some other principles than those of economic justice. Such gains, whether due to combinations of labor, or of capital, or both in certain industries, are indeterminate. In the apportionment of them, appeal must be made to force, not to economic law. This is not, however, as is sometimes declared, any impeachment of economic science or teaching, but rather of industrial honor. Economics is not a science of industrial bucaneeering.

JOHN CUMMINGS.

THE STUDY OF COMPARATIVE LEGISLATION.

I.

COMPARATIVE legislation may be considered either as a science or as a method in the study of various political and social sciences. It is a method of study in much the same sense in which history and statistics are methods rather than distinct sciences; but it has a better claim than either of these to the name of science. The historian collects and comments upon facts which have happened in past time; the statistician collects, classifies, and comments upon facts which are adapted to quantitative presentation; and neither the accident of having happened in past time nor the accident of quantitative treatment necessarily gives to the body of knowledge so brought together the unity required to make it a science. If history and statistics have sometimes approached the status of true sciences, it has been due, not to any fundamental unity in the facts presented, but rather to the labors of a few individual philosophers whose exceptional genius has enabled them to elaborate separate and more or less disjointed facts into harmonious systems of philosophy. But comparative legislation is a science in its own right; for it deals primarily with phenomena of a single kind—legislation; and it is demonstrably capable of being developed into a systematic body of knowledge possessing a high degree of logical unity. Indeed, its unity is so great that the science is not difficult to classify. As it deals with legislation, it is a political science. But as politics itself